

PERFORMANCE & COMPENSATION COMMITTEE OPEN SESSION

MINUTES OF MEETING

February 17, 2009

The Performance and Compensation Committee met on Tuesday, February 17, 2009, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 5:10 p.m. and the following members were present:

Priya Mathur, Chair Tony Oliveira Greg Beatty for David Gilb Louis Moret Kurato Shimada Charles Valdes

Chair Mathur announced that **AGENDA ITEM 5 and 6** are deferred until the March meeting.

AGENDA ITEM 2 – APPROVAL OF THE SEPTEMBER 15, 2008 PERFORMANCE AND COMPENSATION COMMITTEE MEETING MINUTES

The minutes were approved as presented.

AGENDA ITEM 3 – FIRST AND SECOND QUARTER STATUS REPORTS ON PERFORMANCE PLANS OF THE INTERIM CHIEF EXECUTIVE OFFICER, CHIEF ACTUARY, GENERAL COUNSEL, INTERIM CHIEF INVESTMENT OFFICER AND DIRECT REPORTING STAFF

Chris O'Brien, Human Resources Division Chief, presented, as an action item the first and second quarter status reports on the performance plans of the Interim Chief Executive Officer, Chief Actuary, General Counsel, Interim Chief Investment Officer and Senior Investment Officers.

On **MOTION** by Mr. Moret, **SECONDED** and **CARRIED** the Committee accepted the first and second guarter status reports on the performance plans as presented.

AGENDA ITEM 4 – CHANGES IN SENIOR PORTFOLIO MANAGER AND PORTFOLIO MANAGER PERFORMANCE PLANS

Ms. O'Brien presented, as an information item, the approved changes to the plans of two Senior Portfolio Managers and four Portfolio Managers.

AGENDA ITEM 7- 2008-2009 PERFORMANCE PLANS FOR RECENTLY APPOINTED SENIOR PORTFOLIO MANAGER AND PORTFOLIO MANAGERS (FIRST READING)

M. O'Brien presented for first reading, the 2008-2009 performance plans for one recently appointed Senior Portfolio Manager and five recently appointed Portfolio Managers.

On **MOTION** by Mr. Shimada, **SECONDED** and **CARRIED** the Committee approved as final, the 2008-2009 performance plans for the recently appointed Senior Portfolio Manager and Portfolio Managers.

AGENDA ITEM 8 – HUMAN RESOURCES DIVISION REPORT

Ms. O'Brien introduced Danny Brown, Interim Chief, Office of Governmental Affairs, who provided a brief update on the status of AB 53, pending legislation related to executive compensation.

AGENDA ITEM 9 – PROPOSED APRIL 2009 AGENDA

Upon recommendation of Chair Mathur, a March meeting is being added to the calendar, and the April agenda will be moved to May.

AGENDA ITEM 10 – PUBLIC COMMENT

There was no public comment.

The next Performance and Compensation Committee meeting is scheduled for March 2009 in Sacramento, California.

ANNE STAUSBOLL	
Chief Executive Officer	

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